

Message Text

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LIMITED OFFICIAL USE SECTION 1 OF 6 STOCKHOLM 1759

E.O. 11652: N/A
TAGS: AFSP, OGEN
SUBJECT: FY 1980 GOALS/OBJECTIVES AND RESOURCE MANAGEMENT (GORM)
PROCESS - ZBB DECISION PACKAGES

REF: (A) STATE 63477, (B) STATE 84540

PART I - GENERAL:

1. AS I HAVE STATED IN PREVIOUS MODE MESSAGES, AND OUR RECENT INSPECTION CONFIRMED, THE SIZE OF THE EMBASSY STAFF, BOTH STATE AND OTHER AGENCIES, IS WELL IN LINE WITH THE GOALS I AM DIRECTED TO ACHIEVE. WHILE I AM IN ABSOLUTE SYMPATHY WITH THE PRESIDENT'S GOAL OF SAVING THE TAXPAYER MONEY BY KEEPING PERSONNEL LEVELS TO A MINIMUM, I BELIEVE THAT THE MISSIONS WE ARE TRYING TO ACCOMPLISH IN SWEDEN ARE IMPORTANT ENOUGH TO THE AMERICAN NATIONAL INTEREST TO MAINTAIN OUR STRENGTH AT WHAT IS NECESSARY TO DO THE JOB. THEREFORE, I DO NOT HAVE ANY WHOLESALE CUTS TO PROPOSE, SINCE I BELIEVE THAT WHOLESALE CUTS WOULD HAVE A HARMFUL EFFECT ON OUR MISSIONS.

2. I WISH TO MAKE A PARTICULAR STATEMENT OF SUPPORT FOR THE CONSULATE GENERAL IN GOTEBOG, WHICH HAS ADDED A WHOLE NEW DIMENSION TO THE AMERICAN PRESENCE IN SWEDEN

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SINCE ITS REOPENING IN 1976. IN MY JUDGMENT WE SHOULD DEFINITELY NOT GIVE ANY CONSIDERATION TO DOING AWAY WITH THE CONSULATE GENERAL, AND I BELIEVE THAT THE STAFF THERE IS PROBABLY ALREADY AT THE MINIMUM NECESSARY TO DO THE JOB WELL.

3. A SPECIAL SITUATION EXISTS WITH REGARD TO THIS EM-

BASSY. AS OF THE DATE OF THIS REPORT (APRIL 29), THE SCANDINAVIAN TRADE CENTER IS SLATED TO CLOSE, FOR LACK OF FUNDS, AND THIS WOULD OF COURSE ELIMINATE ANY DEPARTMENT OF COMMERCE PRESENCE IN SWEDEN. MY OWN POSITION HAS BEEN THAT THE TRADE CENTER IS DOING A WORTHWHILE, COST-EFFECTIVE JOB FOR THE US TAXPAYER, AND I HOPE THAT THE DECISION TO CLOSE THE CENTER WILL YET BE REVERSED. HOWEVER, WE ARE UNDER INSTRUCTIONS TO CLOSE THE CENTER, AND THIS REPORT IS PREDICATED ON THOSE INSTRUCTIONS. SHOULD THAT CHANGE, THEN STATE AND COMMERCE STAFFING LEVELS AT THE TRADE CENTER WILL NEED TO BE REEXAMINED.

PART I - SCHEDULES (DECISION PACKAGES)

1. FORM ZBB-1:

(A) TOTAL U.S. PERSONNEL - 31 (NOTE: EMBASSY BELIEVES THAT STATE 84540 DOES NOT REFLECT THE STATE 86603 WHICH REDUCED STATE AMERICAN COMPLEMENT FROM 32 TO 31) POSITIONS.

(B) TOTAL FSL - PRESENT LEVEL 52, PROJECTED FY 1980 LEVEL 51 (STATE 84540).

(C) TOTAL CURRENT STATE PERSONNEL RESOURCES AT THE MISSION - 83. TOTAL PROJECTED FY 1980 PERSONNEL RESOURCES LEVEL - 82.

(1) PACKAGE I (82 X 90 PERCENT) EQUALS 74.

(2) PACKAGE II (82 X 5 PERCENT) EQUALS 4.

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(3) PACKAGE III (82 X 5 PERCENT) EQUALS 4.

2. FORM ZBB-2: FY 1980 PERSONNEL RESOURCES WORKSHEET.

(A) FY 1978

FUNCTION	AMERICAN OFFICERS	AMERICAN STAFF	FSL
EXECUTIVE	3	2	1
POL/LABOR	3	1	2
E/C	7	1	13
CONS	4		10
ADMIN	4	5	25
SCIENCE	1		1
TOTAL, THIS PACKAGE	22	9	52
CUM TOTAL	22	9	52

(B) PACKAGE I

FUNCTION	AMERICAN OFFICERS	AMERICAN STAFF	FSL
----------	-------------------	----------------	-----

EXECUTIVE	3	2	1
POL/LABOR	3	1	2

E/C	5	1	9
CONS	4		10
ADMIN	4	4	23
SCIENCE	1		1
TOTAL, THIS PACKAGE	20	8	46 (1)
CUM TOTAL	20	8	46 (1)

(1)

(1) THE REDUCTION OF 6 FSL'S BETWEEN FY 1979 AND FY 1980 INCLUDES 1 FSL POSITION WHICH, WHILE OUTSIDE OF ABB PACKAGE (SEE STATE 84540), SHOULD BE INCLUDED IN THE ABOVE TABLE IN ORDER TO PROJECT THE ANTICIPATED FY 1980 STAFFING LEVEL.
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(C) PACKAGE II

FUNCTION AMERICAN AMERICAN FSL
OFFICERS STAFF

EXECUTIVE
POL/LABOR
E/C 1 1

CONS			
ADMIN	1	1	
SCIENCE			
TOTAL, THIS PACKAGE	1	1	2
CUM TOTAL	21	9	48

(D) PACKAGE III

FUNCTION	AMERICAN	AMERICAN	FSL
	OFFICERS	STAFF	

EXECUTIVE
POL/LABOR
E/C 1 3
CONS
ADMIN
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SCIENCE			
TOTAL, THIS PACKAGE	1		3
CUM TOTAL	22	9	51

3. FORM ZZB-3:

(A) DECISION UNIT NAME: SWEDEN

(B) PACKAGE 1 OF 3

(C) ACTIVITY DESCRIPTION:

(1) IN SELECTING THE 90 PERCENT LEVEL TOF

CURRENT STAFFING FOR PACKAGE I PER ZBB INSTRUCTIONS, I WISH TO REEMPHASIZE THAT FURTHER STATE PERSONNEL REDUCTIONS QUICKLY CUT INTO THE MUSCLE OF THIS EMBASSY. STATE IS LEANLY STAFFED, AND ANY REDUCTION OF STAFFING OF THIS MAGNITUDE INEVITABLY MEANS THAT THE EMBASSY WILL NOT BE ABLE TO MEET SOME OF ITS ESSENTIAL GOALS AND OBJECTIVES. PREVIOUS STAFF REDUCTIONS ALREADY HAVE BEEN ABSORBED BY THIS EMBASSY'S EXECUTIVE, POLITICAL, ECONOMIC, ADMINISTRATIVE, CONSULAR AND SCIENCE SECTIONS OVER THE PAST FOUR YEARS. THEREFORE, IN PACKAGE I OF THE ZBB, THE MAJOR PORTION OF MY PROJECTED REDUCTION IN STAFFING IS ABSORBED BY THE COMMERCIAL SECTION ON THE PREMISE THAT THE SCANDINAVIAN TRADE CENTER WILL BE CLOSING AS ANNOUNCED IN STATE 28043. (ADDITIONAL REMARKS REGARDING THE TRADE CENTER'S ANTICIPATED CLOSURE, AND ITS IMPACT ON THE DEPARTMENT OF COMMERCE'S REPRESENTATION ARE IN PART II OF THIS CABLE.) THERE WOULD ALSO HAVE TO BE A FURTHER REDUCTION IN THE ADMINISTRATIVE STAFF WITH A RESULTANT DECREASE IN ITS ACTIVITIES. A BREIF SUMMARY BY SECTION FOLLOWS.

(2) WITH NO CHANGE IN STAFFING LEVEL, THE EXECUTIVE STAFF OF 6 (3 OFFICERS, 2 STAFF AND 1 FSL) COULD CONTINUE TO CONDUCT POLICY FORMULATION AND MANAGE-

MENT GUIDANCE FOR ALL ELEMENTS OF THE MISSION AND FULL-
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FILL ESSENTIAL PROTOCOL AND FORMAL REPRESENTATION FUNCTIONS IN SUPPORT OF THE EMBASSY'S GOALS AND OBJECTIVES AS ENUMERATED IN 77 STATE 295529 AND STOCKHOLM 124.

(3) THE POLITICAL/LABOR STAFF OF 6 (3 OFFICERS, 1 STAFF AND 2 FSL'S) WOULD REMAIN UNCHANGED AND COULD CONTINUE ITS MONITORING AND REPORTING TO WASHINGTON AND THE FIELD ON IMPORTANT DEVELOPMENTS IN SWEDISH FOREIGN POLICY AND THE DOMESTIC POLITICAL SITUATION WHICH AFFECT U.S. INTERESTS. THE SECTION WOULD ALSO CONTINUE TO FULFILL ITS MAJOR ROLE IN POLICY FORMULATION AND IMPLEMENTATION, AS WELL AS FOLLOWING THROUGH ON ITS TIGHTLY FOCUSED REPRESENTATION PROGRAM. THE SECTION'S EXTRADITION AND PROTOCOL RESPONSIBILITIES WOULD STILL BE MET, ALONG WITH ITS BIOGRAPHIC REPORTING PROGRAM. THE BULK OF TWO MAN-YEARS WILL BE DEVOTED TO MONITORING AND REPORTING LABOR MARKET DEVELOPMENTS IN SWEDEN WHERE MANY ASPECTS OF THE INNOVATIVE SWEDISH WELFARE SYSTEMS ARE CONSIDERED IMPORTANT TO AND SOMETIMES MODELS FOR U.S. LEGISLATION. THE LABOR ATTACHE AND SOCIAL WELFARE ATTACHE IS ALSO THE EMBASSY'S NARCOTICS COORDINATOR AND CONTACT POINT FOR DEA OFFICIALS ASSIGNED TO COPENHAGEN. AS SWEDEN IS SUFFERING AN INCREASINGLY SERIOUS NARCOTICS ABUSE PROBLEM, THIS SUPPLEMENTAL ASSIGNMENT TAKES ON INCREASING IMPORTANCE.

(4) AS PROJECTED, THE ECONOMIC OFFICE STAFFING WOULD REMAIN UNCHANGED WITH THE COMMERCIAL UNIT OF THE E/C SECTION ABSORBING A REDUCTION OF 2 OFFICERS AND 4 FSL'S AS A RESULT OF THE TRADE CENTER CLOSING. WITHOUT THE TRADE CENTER, US TRADE PROMOTION ACTIVITIES IN SWEDEN WILL DROP SHARPLY AS WILL, IN MY OPINION, THE INTRODUCTION OF NEW PRODUCTS AND COMPANIES TO SCANDINAVIA. A SMALL COMMERCIAL SECTION OF 2 AMERICAN OFFICERS AND 5 FSL'S IN STOCKHOLM PLUS 1 FSL IN GOTEBOURG WILL REMAIN AND WOULD RECEIVE A PORTION OF THE ECONOMIC OFFICER'S TIME IN SUPPORT OF ITS ACTIVITIES. HOWEVER, THE GOAL OF A CONTINUED STRONG U.S. EXPORT PROGRAM IS NOT LIMITED OFFICIAL USE

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LIKELY TO BE ACHIEVED WITH THE DRASTIC CURTAILMENT OF TRADE PROMOTION ACTIVITIES. THE ECONOMIC OFFICE OF 3 AMERICAN OFFICERS, 1 AMERICAN STAFF AND 3 FSL'S WOULD CONTINUE TO REPORT (ALBEIT ON A SLIGHTLY REDUCED LEVEL) IMPORTANT LOCAL DEVELOPMENTS IN THE ECONOMIC FIELD TO

THE DEPARTMENT OF STATE AND THROUGH IT TO OTHER INTERESTED U.S. GOVERNMENT AGENCIES. THE SECTION WOULD ALSO CONTINUE TO MAINTAIN ITS APPROPRIATE CONTACTS WITH SWEDISH OFFICIALS WITH REGARDS TO BILATERAL AND MULTILATERAL QUESTIONS OF INTEREST TO BOTH GOVERNMENTS, AND COULD MINIMALLY FULFILL ITS SUPPORTIVE ROLE TOWARDS THE ACHIEVEMENT OF THE EMBASSY'S GOALS I AND II (77 STATE 295529).

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(5) THE CONSULAR SECTION WOULD REMAIN AT ITS PRESENT LEVEL OF 4 AMERICAN OFFICERS AND 10 FSL'S (INCLUDING 1 OFFICER AND 2 FSL'S IN GOTEBOG). AT THIS LEVEL THE CONSULAR SECTION COULD MEET ITS WORKLOAD WHICH INCLUDES ISSUING ANNUALLY APPROXIMATELY 60,000 NON-IMMIGRANT AND 300 IMMIGRANT VISAS, PLUS AN ESTIMATED 1,600 PASSPORTS. THE SECTION COULD ALSO MEET ITS BASIC STATUTORY SERVICE REQUIREMENTS INCLUDING CITIZENSHIP SERVICES AND THE PROCESSING OF SOCIAL SECURITY AND VETERANS CLAIMS.

(6) MY REDUCTION IN THE ADMINISTRATIVE SECTION WOULD CALL FOR THE ELIMINATION OF THE AMERICAN SECURITY SECRETARY POSITION AND ONE FSL POSITION FROM THE GENERAL SERVICES MAINTENANCE STAFF. (WITH THE BUREAU'S ASSESSED FSL REDUCTION OF ONE FSL POSITION IN FY 1980 PER STATE 84540, IN REALITY, THIS WOULD MEAN AN ACTUAL REDUCTION OF 2 FSL POSITIONS IN ADMIN.) MOST KEY ADMINISTRATIVE SERVICES COULD STILL BE PROVIDED BY THE REMAINING STAFF OF 8 AMERICANS AND 23 LOCALS. ALTERNATELY AN AMERICAN COMMUNICATOR POSITION COULD BE SUBSTITUTED FOR THE SECURITY SECRETARY POSITION IF SUFFICIENT

TAPE PUNCH UNITS AND TRAINING COULD BE PROVIDED SO THAT SECRETARIES, WHEN TYPING CABLES, WOULD ALSO PREPARE MOST OF THE OUTGOING CABLE TAPES AND THEREBY ELIMINATE THE DUPLICATION OF CRU RETYPING CABLES. HOWEVER, IF A LIMITED OFFICIAL USE

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CRU POSITION WERE ABOLISHED, A NEED FOR TDY ASSISTANCE WOULD OCCUR WHENEVER THERE WAS MORE THAN A VERY SHORT ABSENCE OF EITHER OF THE REMAINING TWO MEMBERS OF CRU. NATURALLY, THESE REDUCTIONS WOULD HAVE A NEGATIVE IMPACT ON THE AFFECTED ACTIVITIES. HOWEVER, WHILE IT WOULD NOT BE COST EFFECTIVE (SEE PARA. 6(E) OF THIS CABLE), THE LOST MAINTENANCE SERVICES COULD BE CONTRACTED OUT.

(7) I SEE NO WAY TO REDUCE THE STAFF OF THE OFFICE OF THE SCIENTIFIC ATTACHE BELOW ITS CURRENT LEVEL OF 1 AMERICAN OFFICER AND 1 FSL EMPLOYEE. SWEDEN IS A PARTICULARLY IMPORTANT SCIENTIFIC COUNTRY, AND OUR SCIENTIFIC ATTACH REPORTS ON ALL SIGNIFICANT SCIENTIFIC DEVELOPMENTS IN SWEDEN AND SCANDINAVIA AND IS THE FOCAL POINT FOR THE EXCHANGE OF SCIENTIFIC INFORMATION BETWEEN THE U.S. AND SWEDEN. THIS OFFICE IS ALSO KEPT VERY BUSY LOGISTICALLY SUPPORTING AN ABUNDANCE OF AMERICAN OFFICIALS (NORMALLY TECHNICAL EXPERTS) VISITING SWEDEN ON OFFICIAL BUSINESS.

(D) RESOURCE REQUIREMENTS:

	FY 78	FY 70	FY 1980(THIS PKG ONLY)
OFFICERS	22	22	20
STAFF	9	9	8
FSL'S	52	52	46 (1)
TOTALS	83	83	74

(1) SEE NOTE FOLLOWING PACKAGE I OF FORM ZBB-2

(E) IMPACT ON CURRENT U.S. POLICY GOALS, OBJECTIVES, AND ESSENTIAL ACTIVITIES:

(1) WITH THE EXCEPTION OF THE CLOSING OF THE TRADE CENTER, THE BASIC STRUCTURES AND TOOLS WITH WHICH THE EMBASSY SUPPORTS GOALS I-III (77 STATE 295529 AND STOCKHOLM 124) WOULD REMAIN INTACT. HOWEVER, AS I HAVE STATED PREVIOUSLY, THE REDUCTION OF 2 FSO POSITIONS LIMITED OFFICIAL USE

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AND 4 FSL POSITIONS IN THE E/C SECTION WOULD ADVERSELY AFFECT OUR SUPPORT OF THE U.S. EXPORT PROGRAM AS DE-TAILED IN GOAL III. WHILE A REDUCED COMMERCIAL UNIT WOULD REMAIN, THE LOSS OF THE CENTER COULD NOT BE EFFECTIVELY OFFSET AND TRADE PROMOTION ACTIVITIES WOULD BE

SEVERELY CIT. THIS SEEMS TO ME TO BE PARTICULARLY INAP-
PROPRIATE AT A TIME WITH OUR EXISTING YRADE IMBALANCE
PROBLEMS.

(2) THE ADMINISTRATIVE SECTION WOULD LOSE
ITS ONLY AMERICAN SECRETARY. SHE IS ASSIGNED TO THE
SECURITY OFFICE AND HER LOSS WOULD BE KEENLY FELT.
WHILE I WOULD SEE THAT AS MUCH OF HER WORK IS TRANS-
FERRED TO THE EMBASSY'S WORD PROCESSING CENTER, HER
CLASSIFIED WORK WOULD HAVE BE BE ABSORBED BY AMERICAN
SECRETARIES IN OTHER SECTIONS. SINCE THIS POST HAS TNL
THE MINIMAL SECRETARIAL SUPPORT NECESSARY FOR ITS
EFFICIENT OPERATION, SUPPORT OF THE SECURITY OFFICE,
WHICH SERVES NORWAY AND FINLAND ALSO, WOULD BE REUCED.
THE POST'S GENERAL SECURITY PREPAREDNESS WOULD SUFFER
AND BACKGROUND INVESTIGATIONS, PLANNING AND REPORTING
WOULD BE ADVERSELY AFFECTED SINCE THE REGIONAL SECURITY
OFFICER (RSO'S ABSENCE, THE SECRETARY HANDLES ALL ROUTINE
SECURITY MATTERS AND CONTACTS BETWEEN THE REGIONAL OF-
FICE AND ITS SERVICED POSTS. CTNSIDERING THE EASY AC-
CESS THAT TERRORIST ORGANIZATIONS HAVE TO SWEDEN, THE
LOSS OF THIS POSITION WOULD DISTURB ME GREATLY. I BE-
LIEVE THAT THE LEVEL OF THREAT OF TERRORISM IN SCANDI-
NAVIA JUSTIFIES A NEED FOR A REGIONAL SECURITY OFFICE,
THAT STOCKHOLM IS THE LOGICAL AND MOST CENTRAL LOCATION
FOR IT, AND IT SHOULD BE SUPPORTED WITH BOTH AN
OFFICER AND A SECRETARY/ASSISTANT, AS IT IS NOW.

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(3) THE ELIMINATION OF A MAINTENANCE POSI-
TION WOULD PLACE FURTHER STRAIN ON THE GENERAL SERVICES
OFFICE WHICH ALREADY IS RESPONSIBLE FOR MAINTAINING THE
CHANCERY, AMBASSADOR'S RESIDENCE, DEFENSE ATTACHE'S RES-

IDENCE, AGRICULTURAL ATTACHE'S RESIDENCE, AND 21 STAFF APARTMENTS UTILIZED BY THE VARIOUS AGENCIES REPRESENTED AT POST. THESE PROPERTIES ARE ALL EITHER GOVERNMENT-OWNED OR LONG-TERM LEASED. THE MAINTENANCE STAFF ALSO SUPPORTS THE DCM RESIDENCE AND THE MARINE HOUSE, BOTH OF WHICH ARE GOVERNMENT LEASED. WHILE MORE OF THE MAINTENANCE SECTION'S WORK COULD BE CONTRACTED OUT, THIS WOULD BE VERY COSTLY AND INEFFICIENT, AND DELAYS WOULD BE COMMON AS A RESULT OF THE SHORTAGE OF SKILLED TRADESMEN IN SWEDEN.

4. FORM ZZB-3:

(A) DECISION UNIT: SWEDEN

(B) PACKAGE 2 OF 3

(C) ACTIVITY DESCRIPTION:

(1) AT THIS LEVEL I WOULD RESTORE 2 COMMERCIAL OFFICE POSITIONS (1 AMERICAN OFFICER AND 1 FSL) AND THE 2 POSITIONS PREVIOUSLY WITHDRAWN FROM THE ADMINISTRATIVE SECTION.

(2) AS I HAVE INDICATED, I AM HOPEFUL THAT THE TRADE CENTER WILL REMAIN OPEN. THE TWO REINSTATED COMMERCIAL POSITIONS WOULD RESTORE ABOUT 40 PERCENT OF LIMITED OFFICIAL USE

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THE SHOW PROMOTION AND MARKET RESEARCH ACTIVITIES VITALLY NEEDED TO STAGE EXHIBITIONS AT THE CENTER.

(3) THE ADMINISTRATIVE SECTION WOULD BE BACK TO ITS PRESENT STAFFING LEVEL WHICH I CONSIDER TO BE THE MINIMUM NECESSARY FOR ESSENTIAL AND EFFICIENT ADMINISTRATIVE SUPPORT OF THIS MISSION.

(D) RESOURCE REQUIREMENT:

FY 78 FY 79 FY 1980

THIS PKG ONLY CUMULATIVE

US OFFICERS	22	22	1	21
US STAFF	9	9	1	9
FSL'S	52	52	2	48
TOTAL	83	83	4	78

(E) IMPACT ON CURRENT U.S. POLICY GOALS, OBJECTIVES, AND ESSENTIAL ACTIVITIES:
A SERIOUS STAFFING SHORTFALL WOULD CONTINUE TO EXIST AT THE TRADE CENTER, SHOULD IT NOT CLOSE.

5. FORM ZZB-3:

(A) DECISION UNIT: SWEDEN

(B) PACKAGE 3 OF 3

(C) ACTIVITY DESCRIPTION:

ALL ACTIVITIES CURRENTLY CONDUCTED BY THE EMBASSY WOULD BE CONTINUED IN SUPPORT OF THE AGREED 3 MAJOR POLICY GOALS AND OBJECTIVES.

(D) RESOURCE REQUIREMENTS:

FY 78 FY 79 FY 1980

THIS PKG ONLY CUMULATIVE

US OFFICERS	22	22	1	22
US STAFF	9	9		9
FSL'S	52	52	3	51
TOTAL	83	83	4	82

(E) IMPACT STATEMENT:

THE STAFFING LEVEL WOULD REMAIN MINIMAL FOR OUR OBJECT-
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TIVES AND GOALS. IT WOULD BE DIFFICULT FOR THIS MISSION
TO HANDLE ANY ADDITIONAL WORKLOAD BEYOND A VERY MARGINAL
INCREASE, HOWEVER, I UNDERSTAND THE FUTILITY OF SEEKING
ADDITIONAL POSITIONS FOR THE FORESEEABLE FUTURE. THERE-
FORE, I AM NOT INCLUDING THE OPTIONAL PACKAGE 4.

6. COMMENTS ON STATE PROGRAMS INVOLVING SIGNIFICANT
NON-SALARY FUNDING:

(A) APPROXIMATELY 95 PERCENT OF THIS MISSION'S
EXPENSES ARE EITHER FIXED OR SEMI-CONTROLABLE AND DEPEND
LARGELY ON STAFFING LEVELS. THE REMAINING DISCRETIONARY/
CONTROLABLE SEGMENT OF OPERATING EXPENSES LIES PRINCIPALLY
IN SUCH AREAS AS TRAVEL, AND OFFICE FURNITURE AND
EQUIPMENT.

(B) SPEAKING CANDIDLY, I DON'T FEEL THAT MY OFFICERS
ARE TRAVELING WITHIN THE COUNTRY AS MUCH AS THEY
SHOULD. WHILE I INTEND TO ADDRESS MYSELF TO THIS MATTER,
I REALIZE THAT THEIR EVERYDAY WORKLOAD IS HEAVY AND
THIS LIMITS THE AMOUNT OF TIME THEY HAVE FREE TO TRAVEL.

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(C) AS FOR FURNITURE AND EQUIPMENT, I COMMEND THE REPLACEMENT PROGRAM THAT HAS TAKEN PLACE AT THIS EMBASSY OVER THE PAST THREE YEARS. WE HAVE NOW LARGELY COMPLETED REPLACING THE OFFICE FURNITURE ALL OF WHICH WAS OVER 25 YEARS OLD, AND OUR FY 1979 AND FY 1980 SUBMISSIONS REFLECT A LOWER LEVEL OF FUNDING FOR SUCH PURPOSES. HOWEVER, IT IS NECESSARY FOR THE MISSION TO CONTINUE ITS SYSTEMATIC REPLACEMENT PROGRAM FOR OFFICE EQUIPMENT AND SUSTAIN A VERY LIMITED FURNITURE/FURNISHINGS REPLACEMENT PROGRAM INTO THE FORESEEABLE FUTURE.

(D) OVER THE LONGER TERM, I AM CONFIDENT THAT PURCHASING HOUSING FOR THE AMERICAN STAFF WOULD BE ADVANTAGEOUS TO THE USG, HOWEVER, I AM AWARE OF THE FINANCIAL CONSTRAINTS HERE AND THAT IT IS POSSIBLE THAT SUCH PURCHASES MAY BE EVEN MORE COST EFFECTIVE IN SOME OTHER COUNTRIES. HOWEVER, I WOULD NOT WISH TO SEE THIS EMBASSY UNDERTAKE ANY SIGNIFICANT RESIDENTIAL PURCHASING PROGRAM WITHOUT THE NECESSARY PERSONNEL INCREASES IN THE EMBASSY'S MAINTENANCE UNIT.

(E) THIS IS PERHAPS AS GOOD A TIME AS ANY TO MENTION THAT IF COST EFFECTIVENESS IS TO BE ANY MORE THE CATCH PHRASE, THE DEPARTMENT SHOULD NOT REDUCE REGULAR POSITIONS HERE AND SUBSTITUTE THEM WITH NON-PERSONAL SERVICES CONTRACTS. IT SIMPLY ISN'T COST EFFECTIVE AND LIMITED OFFICIAL USE

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WE TRY TO KEEP SUCH CONTRACTS TO A MINIMUM. IN SWEDEN, WHICH HAS THE HIGHEST INCOME TAX RATE IN THE WORLD, FSL EMPLOYEES ARE PRESENTLY EXEMPT BY LAW FROM PAYING SWEDISH INCOME TAXES AND THEREFORE OUR FSL EMPLOYEES ARE PAID A NET SALARY RATE. WHILE THIS MATTER WAS REVIEWED RECENTLY BY THE GOS, IT NOW APPEARS THAT THE EXCEPTION WILL CONTINUE FOR MANY YEARS. CONTRACTING SERVICES IS NOT ONLY MORE COSTLY BECAUSE GROSS SALARIES MUST BE PAID BUT BECAUSE OF THE HIGH SOCIAL CONTRIBUTIONS EMPLOYERS MUST PAY AND THE OVERHEAD AND PROFIT MARKUPS THE CONTRACTOR CHARGES. IN OTHER WORDS, CONTRACTING SERVICES WOULD COST WELL OVER DOUBLE THAT OF THE SALARY AND RELATED EXPENSES OF A REGULAR FSL EMPLOYEE. THIS SITUATION MAY BE SOMEWHAT UNIQUE HERE IN SWEDEN BUT IT EFFECTIVELY PRECLUDES THE USE OF NON-PERSONAL SERVICE CONTRACTS FROM A COST EFFECTIVE STANDPOINT.

(F) AS I HAVE MENTIONED PREVIOUSLY, THE PURCHASE OF TAPE PUNCHING UNIT TO BE USED BY SECRETARIES WHEN TYPING CABLES WOULD ONLY marginally INCREASE THEIR WORKLOAD AND COULD LEAD TO A REDUCTION OF ONE CRU POSITION. THIS PROPOSAL ASSUMES THAT COMPATIBLE EQUIPMENT IS AVAILABLE AND THAT ITS USE COULD BE APPROVED BY SY AND OC OUTSIDE OF THE EMBASSY'S COMMUNICATION CENTER.

THE EMBASSY HAS NOT BEEN ADVISED WHEN IT WILL RECEIVE
TERP EQUIPMENT.

(G) AS A FINAL COMMENT ON FUNDING LEVELS, I AM
SURE YOU ARE WELL AWARE OF THE IMPACT OF THE HIGHER
LEVEL OF INFLATION IN EUROPE AND THE LOWER VALUE OF THE
DOLLAR. THESE VEXING PROBLEMS HAVE ALREADY EFFECTIVELY
REDUCED OUR FUNDING LEVELS TO A MINIMUM, WITHOUT ANY
FORMAL DECREASE IN OUR ALLOTMENT.

PART II - EVALUATION OF GOALS, OBJECTIVES, AND RESOURCE
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MANAGEMENT OF ALL AGENCIES WITH PERSONNEL SUBJECT TO
AMBASSADOR'S SUPERVISION, COORDINATION AND DIRECTION:

1. SINCE COMMERCE IS IN THE SPECIAL SITUATION NOTED
IN MY INITIAL REMARKS (SEE PARA 3 OF PART-GENERAL),
THERE ARE ONLY THREE AGENCIES TO COMMENT ON, DEFENSE
(DAO, INTERNATIONAL COMMUNICATION AGENCY (USICA), AND
AGRICULTURE (AGATT).

2. THE AGATT OFFICE IS SMALL (ONE US, 3 FSL'S), AND
COVERS BOTH SWEDEN AND FINLAND. AGATT'S WORK TIES IN
WITH THE GOALS OF INCREASING US EXPORTS CITED IN PART 2
(III) OF 77 STATE 295529, AND THE WORK IS USEFUL. IN
TERMS OF OVERALL MISSION PRIORITIES, HAVING AN AGATT
RANKS FAIRLY LOW, AND I WOULD HAVE TO LIST THIS OFFICE
AMONG THE 10 PERCENT EXPENDABLE.

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FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 3727

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3. DAO'S WORK FITS IN SOLIDLY WITH WHAT I CONSIDER OUR TOP PRIORITIES IN SWEDEN (SEE PARA 2 OF STOCKHOLM 124.) SWEDEN'S ROLE IN NORTHERN FLANK SECURITY IS ALSO STRESSED IN OUR GOALS AND OBJECTIVES STATEMENTS (77 STATE 295529), AND CLEARLY DAO PLAYS AN IMPORTANT ROLE HERE. I PERSONALLY DEVOTE A GREAT DEAL OF MY TIME AND ATTENTION TO MILITARY MATTERS, BOTH STRATEGIC AND 'HARD-WARE' ISSUES, AND I PLAN TO DO SO INCREASINGLY. THEREFORE, I DEPEND A GREAT DEAL ON MY DEFENSE ATTACHE AND HIS STAFF, AND RANK THE DAO'S WORK AS HIGH ON MY PRIORITY LIST. AT THE SAME TIME, GIVEN THE EXIGENCIES OF PERSONNEL LEVELS, I HAD TO TELL THE DAO RECENTLY THAT I COULD NOT APPROVE A STAFF INCREASE APPROVED EARLIER BY THE EMBASSY, AND DIRECTED INSTEAD THAT AN ENLISTED MAN BE DROPPED FROM THE STAFF IF A NEW RESEARCHER/TRANSLATOR WAS TO BE ADDED. ALONG THE SAME LINE, EVEN THOUGH DAO HAS TAKEN A NUMBER OF PERSONNEL REDUCTIONS IN RECENT YEARS, IF THE EMBASSY WERE FORCED TO SUSTAIN CUTS, I BELIEVE THAT SOME POSITIONS IN DAO COULD BE ABOLISHED WITHOUT HARMING THE OVERALL EFFICIENCY OF THE OPERATION. IF TOTALLY NECESSARY, I BELIEVE EITHER THE ASSISTANT AIR OR THE ASSISTANT NAVAL ATTACHE COULD BE DROPPED IF OTHER CUTS WERE IMPERATIVE, AND ONE OR TWO SUPPORT POSITIONS (ENLISTED MEN OR SECRETARIES COULD BE CUT IF NEED BE.

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4. WITH REGARD TO USICA, ITS WORK IS VERY IMPORTANT TO THE GOALS LISTED IN PART 2 (III) OF 77 STATE 295529, INCLUDING PARTICULARLY CONTACT WITH SWEDISH INTELLECTUALS AND MEDIA FOLK, AS WELL AS YOUTH, AS WELL AS THE ADDED GOAL IN PARA 3 (B) OF STOCKHOLM 124, 'IMPROVE ACCURACY OF SWEDISH PERCEPTION OF US SOCIETY.' I CONSIDER THAT USICA IS DOING A GOOD AND EXTREMELY IMPORTANT JOB IN POST-VIETNAM SWEDISH-AMERICAN RELATIONS, AND I FEEL PARTICULARLY THAT THE WORK WITH THE MEDIA AND IN EXCHANGES IS PAYING VERY IMPORTANT DIVIDENDS. I BELIEVE THE AMERICAN CENTER IS A HIGHLY USEFUL APPENDAGE TO THE EMBASSY. WITH REGARD TO POSSIBLE CUTS, USICA HAS SUBMITTED ITS OWN ZBB REPORT WITH WHICH I CONCURRED. IF A 10 PERCENT CUT WERE ORDERED, USICA WOULD HAVE TO DROP ONE OF ITS FOUR AMERICAN OFFICERS, AND ELIMINATE LOCALLY PRODUCED PUBLICATIONS ENTIRELY. I DO NOT RECOMMEND THIS CUT, BUT I DO BELIEVE THAT USICA COULD STILL DO A GOOD JOB WITH ONLY THREE OFFICERS, AND IF IT WERE IMPERATIVE I BELIEVE USICA COULD CUT TWO FSLE SLOTS WITHOUT HARMING THE PROGRAM SERIOUSLY.

5. CONCLUSION. MAKING A BALANCE-SHEET IS DIFFICULT BECAUSE OF THE PROBLEMATIC NATURE OF TRADE CENTER CLO-

SURE. WE MUST ASSUME THE CENTER IS CLOSING, BUT OUR
HOPE IS THAT IT WILL NOT. IF THE CENTER DOES CLOSE, AS
NOW PROJECTED, THEN OUR CUTS IN PERSONNEL UNDER THE
ZERO-BASED BUDGETING EXERCISE ARE FAIRLY EVIDENT, AND
ARE SET FORTH IN PART I OF THIS REPORT. EVEN SO, IN
ORDER TO COMPLY WITH THE AIMS OF THIS EXERCISE, I SHOULD
SAY A WORD ABOUT THE RANKING OF ACTIVITIES AMONG THE
VARIOUS AGENCIES. IN THIS CONNECTION, I MUST REITERATE
THAT THE STATE SLOTS ARE DIFFICULT TO PART WITH (EXCEPT
POSSIBLY IN CONNECTION WITH TRADE CENTER CLOSURE). OUT-
SIDE THE TRADE CENTER, I DO NOT PLACE ANY STATE DEPART-
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MENT SLOT AS MORE EXPENDABLE THAN SLOTS FROM AGATT, DAO
OR USICA. IN THE LOWER TEN PERCENT FOR THE EMBASSY AS A
WHOLE, WOULD PLACE THE AGATT OFFICE, ONE OFFICER IN
USICA WITH CORRESPONDING FSLE POSITIONS, AND ONE OFFICER
IN DAO WITH CORRESPONDING SUPPORT POSITIONS.
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